

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

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September 12, 1984

Mr. Michael Paque
Underground Injection Practices
Control Council
P.O. Box 53096
Oklahoma City, Oklahoma 73152

Dear Mr. Paque:

The following comments and enclosed data are submitted in accordance with Victor Kimm's request for information that will aid in determining the appropriate level and allocation of federal grant funding for the UIC program.

In California, there are 10,011 active and inactive waterflood, steamflood, and disposal wells that are subject to the UIC program administered by the Division of Oil and Gas (CDOG). Cumulative injection for all existing and abandoned injection wells in California totals 32.1 billion barrels. In 1983, 7,609 active wells injected 2.2 billion barrels of fluid.

The CDOG's existing regulatory program is wholly supported by an annual assessment on the state's producers of oil and gas, reimbursements for services, and sales. Since the CDOG received primacy in March 1983, all incremental increases in activities for the regulation of Class II wells for the UIC program have been supported by federal funds. From March 14, 1983 to June 30, 1984, the CDOG was provided grant funds that would enable it to increase surveillance activities in certain areas. More recently, the CDOG has applied to the EPA for a grant to enhance the existing CDOG program to fully encompass the federal UIC provisions of public notification, USDW delineation, reporting, etc., and to provide an increased level of monitoring and surveillance. We have determined that the cost of this enhanced program for F.Y. 1984-85 will total about \$1.80 million. The federal share amounts to \$957,000 and the state's share \$843,000. Included in the grant are funds (\$200,000) initially needed to purchase equipment and funds (\$300,000) for special studies. Funding for studies not started or completed during the 1984-85 fiscal year is expected to be carried over to succeeding fiscal years.

To carry out the enhanced program during the next few fiscal years, the CDOG believes that approximately \$500,000 of federal grants will be needed each year to supplement state funding. However,

it is our understanding that California's base allotment for the next fiscal year is about \$279,000. To carry out the program, carry-over funds may be available to make up the deficit for a few years, but we feel that an increased allotment will be necessary in the future.

The following are the key functions that the CDOG will pursue in carrying out the UIC program:

- Issuance or denial of permits for new Class II wells.
- Perform surveillance inspections and monitoring necessary to assure compliance with the permits and regulatory requirements.
- Proceed with enforcement as needed to assure compliance.
- Collect and maintain an updated well inventory and supporting data.
- Provide technical assistance to operators.
- Perform or oversee related activities such as public participation, emergency responses, administrative management, and special studies or investigations.

Enclosed is a cost breakdown and a description of each element of the program.

If you have any questions, please let me know.

Sincerely,

M. G. Mefferd
RGR

M. G. Mefferd
State Oil and Gas Supervisor

Enclosures

bcc: Mr. Nathan Lau W3
Environmental Protection Agency
215 Fremont Street
San Francisco, CA 94105

PROGRAM ELEMENTS OF THE
CLASS II UIC PROGRAM

1. Administration and Program Development

The major aspects of administering the UIC program are: maintain complete records necessary to document work; prepare and submit required annual and other reports and applications to EPA; and perform periodic internal audits to verify accountability system.

Allotment: \$323,000

2. Permitting

All complete permit applications are reviewed using detailed technical criteria. The review includes an evaluation of:

- The construction of the well, including the casing, tubing and packer, and cementing.
- The condition of existing wells within the area of review.
- The geologic conditions within and adjacent to the area of review.
- The planned well-drilling and abandonment program necessary to complete a project.
- The reservoir and fluid characteristics of each injection zone.
- Public comment

Allotment: \$200,000

3. Surveillance and Inspection

CDOG operates an effective inspection program. The mechanical integrity of each waste water disposal well is established annually. Mechanical integrity tests for most waste water disposal wells are witnessed by CDOG inspectors. Enhanced recovery wells are monitored each year unless documented evidence indicates good cause for a different schedule.

Routine inspections are made for evidence of surface water flows or other rule violations.

Citizen complaints are received, recorded, site investigations conducted, and corrective actions are taken by operators if necessary.

Operators file monthly reports of individual well injection pressures and volumes. Reports of spills or leaks and annual reports are also required. CDOG monitors all reports for

evidence of possible rule violations, attains corrective action, and reports findings to EPA.

Allotment: \$628,000

4. Enforcement

The CDOG's enforcement program consists of five levels of action:

- Direct action by field inspectors - telephone calls or personal contact onsite with operators requesting correction of minor rule violations.
- District office action - letters to operators detailing corrective actions which must be taken on defective wells detected by mechanical integrity tests or routine field inspections. Subsequent follow-up to assure that wells have been fixed. The district can cause the work to be performed by agents of the State if the operator refuses or does not perform the work adequately. Shut in wells if serious threat to groundwater exists or if required corrective action is not taken.
- State Oil and Gas Supervisor action - letters or legal notice to operators ordering compliance in cases of serious or persistent violations.
- Civil penalties - imposition of fines in cases of willful violations or serious negligence.
- Criminal action - file suit through local District Attorney to impose misdemeanor charge for cases of willful or serious nature.

Allotment: \$83,393

5. Training and Technical Assistance

Appropriate personnel attend courses and seminars which enhance UIC technical and enforcement skills.

Allotment: \$9,600

6. Data Management

The CDOG develops and prepares Class II permit information. Enter data from monthly operator reports. Update inventory for current year. Computerize injection well files and related producing well files. Develop and prepare aquifer exemption lists for "approvals" by date, name and "requests" by name, status.

Allotment: \$34,200

7. Public Participation

The public participation program includes three areas:

- Permitting process - prepare notice of public hearing requirements.
- Citizens' complaints - investigate all complaints and take corrective action as appropriate. An accounting of all complaints will be provided in the annual report.
- Information/education - inform the public through media releases of changes in program status; distribute information materials; and make public presentations to interested groups on program purpose, status, and requirements.

Allotment: \$36,000

8. Equipment

UIC staff equipment needs include: automobiles for surveillance and inspections, computers for data management, furniture for UIC staff, and other miscellaneous items.

Allotment: \$196,000

9. Special Studies

Contract with various State agencies or private consultants in the development and preparation of special studies for UIC needs identified by EPA and/or CDOG.

Allotment: \$290,000